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C O N F I D E N T I A L SECTION 01 OF 02 KABUL 000237

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SUBJECT: KARZAI LINKS SECURITY TO AGRICULTURAL SUCCESS

Classified by: Ambassador Karl W. Eikenberry; reasons 1.4 (b) and (d).

- 11. (SBU) SUMMARY: In a January 10 meeting, Secretary of Agriculture Tom Vilsack and Ambassador Eikenberry discussed U.S. and Afghan goals and objectives in the agricultural sector with President Karzai and Agriculture Minister Asif Rahimi. President Karzai called agriculture one of the top two development priorities for his country, the other being energy. Secretary Vilsack and Ambassador Eikenberry pointedly referred to the narrow window of opportunity that both countries have to meet short-term goals to stimulate agriculture and agribusiness, as well as improve the capacity of the Ministry of Agriculture, Irrigation, and Livestock (MAIL). He also stated his support for and confidence in Minister Rahimi. End Summary.
- 12. (U) Secretary Vilsack stressed that the USG also sees agriculture as the top development priority in Afghanistan and one that has the potential to improve the lives of many Afghans. Terming the Minister's task huge, he added that USDA is ready to help where it can. Secretary said he was looking at the possibility of sending additional USDA resources, particularly U.S. agricultural experts, to work alongside Afghans at MAIL and other international partners, not only in Kabul but also in the provinces and districts.
- 13. (SBU) Observing that he had met with USDA agricultural experts posted in Afghanistan and had been impressed with the number of good news stories on Afghan agriculture, Secretary Vilsack said it was extremely important to communicate positive stories with the U.S. and Afghan public to demonstrate the direct link between efforts of the Afghan central government and improving rural life in Afghanistan.
- 14. (SBU) President Karzai stated that the U.S. could be of assistance in technology, research, and credit. Fondly recalling the former state-owned Agricultural Development Bank, he said such institution was important for Afghan agriculture. Minister Rahimi noted that a team is currently on the ground looking at the agricultural credit issue and developing options papers for the Ministries of Agriculture and Finance to review. Observing that farm credit in the United States has been a key part of U.S. farm prosperity, Secretary Vilsack said the U.S. model requires strong linkages between central and state authorities and institutions, something that is lacking in Afghanistan.
- 15. (SBU) On the current extension capacity, President Karzai said there is a pressing need in the countryside for modern and correct information for farmers. He mentioned an example of agricultural chemical use and availability, saying there is no quality control over supplies and little understanding among farmers as to how to keep from misusing such chemicals.
- 16. (SBU) Expressing interest in USG assistance in weather forecasting, particularly as it relates to agricultural production output, President Karzai also evinced concern over a light snowpack for this time of year in the Hindu Kush. In response to Karzai's request for USG assistance with remote sensing or other weather forecasting data relevant to Afghan crops, Secretary Vilsack indicated that he would have his staff follow up on this for the Afghan President and the Minister of Agriculture. We have passed this data to the Minister's office.

- ¶7. (SBU) Flagging Afghanistan's historical production and trade in horticultural products, particularly in dried fruits and tree nuts, President Karzai said he had a strong interest in natural (sic) production, saying that Afghanistan does not need to use intensive farming production techniques, i.e., synthetic fertilizers, to achieve its production goals. Karzai noted that it would be good if Afghan farm products had access to the U.S. market, calling melons, grapes, and pomegranates "very competitive." Secretary Vilsack responded that the U.S. is also a notable producer of melons, particularly watermelons, and suggested a friendly competition between U.S. and Afghan melon producers to draw attention to the diverse and high-quality melons and other horticultural crops grown in Afghanistan.
- 18. (SBU) President Karzai continued that while Afghans have had many years of record high-quality crops, there is widespread awareness of the lack of modern marketing techniques. He commented that Afghanistan is not going to become an industrialized country overnight, that it is an agricultural country, and that security will follow from agriculture.
- 19. (SBU) Turning to the topic of livestock, President Karzai and Minister Rahimi said the challenge is one of grazing and the use of public lands. MAIL is a large land "owner" in Afghanistan and loses considerable potential revenue by not having a grazing fee collection system in place. Karzai asked for assistance in providing information on the U.S. experience with grazing schemes, particularly those that involve leasing grazing rights on USG-owned land.
- $\underline{\mathbb{1}}$ 10. (C) On trade, particularly the Afghan-Pakistan Transit Trade Agreement (APTTA), Minister Rahimi emphasized that pressure needs to

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be put on Pakistan so that forward progress can be made on the APTTA. Karzai, reinforced by the Minister, called agricultural trade, particularly exports, extremely important for Afghan farmers. They both referred to India on multiple occasions as a key destination for Afghan products, adding that there is a larger issue at play: Pakistan does not want to weaken its position on overland trade with Central Asia (and beyond) by enabling a scenario by which India could also have overland trade routes opened up to and beyond Central Asia.

EIKENBERRY